



**Testimony of Angela Cole Westhoff, President and CEO
Maine Health Care Association**

To the Joint Standing Committee on Labor and Housing

February 7, 2023 at 1:00 pm

**In Opposition to LD 12, An Act to Amend the Laws Governing Severance Pay to Cover More
Types of Employers and Include More Workers**

Senator Tipping, Representative Roeder, and distinguished members of the Labor and Housing Committee:

My name is Angela Westhoff, and I serve as the President & CEO of the Maine Health Care Association. We represent approximately 200 nursing homes, assisted living, and residential care facilities (also known as Private Non-Medical Institutions or PNMIs) across the state. Our mission is to empower members to ensure the integrity, quality, and sustainability of long term care in Maine.

I am providing testimony in opposition to *LD 12, An Act to Amend the Laws Governing Severance Pay to Cover More Types of Employers and Include More Workers*. This bill expands severance pay due to the closing, substantial shutdown, or relocation beyond industrial and commercial facilities. It would also remove the exclusion from eligibility for severance pay of employees who have not been employed by the employer for at least 3 years.

Long term care facilities have been devastated by the impact of COVID-19. The pandemic has had long-lasting and far-reaching effects on Maine's long term care sector. Nursing homes and residential care facilities are facing an existential crisis due to a lack of staff and inadequate

reimbursement. The continued workforce shortage threatens access to long term care services in our state.

Workforce levels in our sector are the lowest in 13 years. Data published in January 2023 by the American Health Care Association (AHCA) indicates that nursing homes nationwide have lost over 210,000 jobs since the beginning of the pandemic.¹ In fact, while some other health care sectors have started to rebound or are approaching pre-pandemic staffing levels, long term care is still struggling. Specifically, nursing homes and assisting living facilities are the worst impacted for staffing compared to other health care sectors for the period of February 2020-December 2022 according to Bureau of Labor Statistics.²

Maine's long term care providers are trying to rebound from the worst crisis they have ever faced. Unfortunately, we have experienced a handful of facility closures in 2021-2022 as a result of a perfect storm that included a staffing crisis, a pandemic, and lagging reimbursement rates that do not fully cover the cost of providing care. When a long term care facility closes, it is never an easy decision as it can be devastating to the residents, their families, the staff, and the community. Due to a lack of staff, some homes are not accepting new admissions, and it makes placing residents in a new facility very difficult, so these decisions are never made lightly. Despite these challenges, our caregivers are to be commended for their dedicated service to Maine's aging population. We have embraced increased wages, benefits, recruitment and retention bonuses, and all other available steps to address the workforce shortage.

When a facility closes, job opportunities for trained caregivers are plentiful, and other health care entities are often quick to recruit staff. Moreover, we are concerned that the added financial stressor of a severance pay requirement might hasten some facilities' closures. At present, long-term care reimbursement rates would not provide the resources to cover this

¹ Long Term Care Jobs Report: <https://www.ahcancal.org/News-and-Communications/Fact-Sheets/FactSheets/LTC-Jobs-Report-Jan2023.pdf>. Accessed February 4, 2023.

² Ibid.

expense. This could ultimately cause Maine to have fewer nursing facilities, which may be an unintended consequence of this bill. I urge you to vote ought not to pass on LD 12. Thank you.